

**SEABROOK NEIGHBORHOOD IMPROVEMENT  
AND SECURITY DISTRICT**

**Financial Statements as of December 31, 2013  
and For the Year Then Ended  
and Independent Accountants' Review Report**

# SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT

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Certified Public Accountants & Consultants

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners of  
Seabrook Neighborhood Improvement and Security District  
New Orleans, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of Seabrook Neighborhood Improvement and Security District (the District) as of December 31, 2013 and for the year then ended, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Seabrook Neighborhood Improvement and Security District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of Seabrook Neighborhood Improvement and Security District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, we have issued a report dated June 26, 2014 on the results of our agreed-upon procedures for compliance with laws and regulations.

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Management has omitted the management's discussion and analysis that is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

*Gurtner Zuniga Abney, LLC*

New Orleans, Louisiana

June 26, 2014

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
BALANCE SHEET  
AS OF DECEMBER 31, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 155,896
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Total current assets	<u>155,896</u>
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TOTAL ASSETS	<u><u>\$ 155,896</u></u>
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**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES	\$ -
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NET ASSETS	<u>155,896</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 155,896</u></u>
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See independent accountants' review report and accompanying notes to financial statements.

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
REVENUES			
Parcel fees	\$ 200,368	\$ 165,000	\$ 35,368
Total revenues	<u>200,368</u>	<u>165,000</u>	<u>35,368</u>
EXPENSES			
Direct expenses			
Patrols	151,938	136,950	(14,988)
Senior Citizen Program	2,081	6,600	4,519
Improvement and beautification	200	16,500	16,300
Youth Programs	<u>750</u>	<u>4,950</u>	<u>4,200</u>
Total direct expenses	<u>154,969</u>	<u>165,000</u>	<u>10,031</u>
Administrative expenses			
Neighborhood Fish Fry	132	-	(132)
Night Out Against Crime	1,085	-	(1,085)
Miscellaneous	<u>482</u>	<u>-</u>	<u>(482)</u>
Total administrative expenses	<u>1,699</u>	<u>-</u>	<u>(1,699)</u>
Total expenses	<u>156,668</u>	<u>165,000</u>	<u>8,332</u>
EXCESS OF REVENUES OVER EXPENSES	<b>43,700</b>		
NET ASSETS - Beginning of year	<u>112,196</u>		
NET ASSETS - End of year	<u><b>\$ 155,896</b></u>		

See independent accountants' review report and accompanying notes to financial statements.

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 43,700
Adjustment to reconcile net assets to net cash provided by operating activities :	
Changes in operating assets and liabilities:	
Accounts receivable	<u>3,293</u>
Net cash provided by operating activities	<u>46,993</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	46,993
CASH AND CASH EQUIVALENTS - Beginning of year	<u>108,903</u>
CASH AND CASH EQUIVALENTS - End of year	<u><u>\$ 155,896</u></u>

See independent accountants' review report and accompanying notes to financial statements.

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE A – INTRODUCTION**

The Seabrook Neighborhood Improvement and Security District (the District) was created as a public body by the Louisiana Legislature, 2010, Act No.230, La. R.S. 33:9091.16, for the primary object and purpose of promoting and encouraging the beautification, security, and overall betterment of the area included within the District.

The boundaries of the District are areas within the following perimeter: Fillmore Avenue, Leon C. Simon Blvd., St. Roch Avenue, and Peoples Avenue.

The District services all parcels located in the geographic area it serves. The District has no paid employees and contracts with an external security company for patrolling. The Board of Commissioners consists of five (5) appointed members who are residents within the District. Board members are not compensated.

The governing authority of the City of New Orleans is authorized to impose and collect a parcel fee within the District. The amount of the fee is determined by an adopted resolution of the Board of Commissioners of the District. The fee, however, cannot exceed two hundred dollars per parcel per year.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** – For reporting purposes, the District is a stand-alone entity as defined by GASB Codification 2600 *Reporting Entity and Component Unit Presentation and Disclosure*. The District is neither fiscally dependent on any other local government, nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements of the District.

**Basis of Presentation–Fund Accounting** – The proprietary fund is used to account for the District's ongoing operations and activities which are similar to those in the private sector. Proprietary funds are accounted for using a flow of economic resource measurement focus under which all assets and all liabilities associated with the operation of these funds are included in the balance sheets. The operating statements present increases (revenues) and decreases (expenses) in total net assets.

**Basis of Accounting** – The District prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Such principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The District adopted GASB Codification 1300 *Fund Accounting*.

**Basis of Reporting** – The District has adopted GASB Codifications, which established standards for external financial reporting for all state and local governmental entities. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.



**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

These classifications are defined as follows:

***Invested in Capital Assets – Net of Related Debt*** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

***Restricted*** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

***Unrestricted*** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

***Use of Estimates*** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Statements of Cash Flows*** – The statements of cash flows reflect all amounts included on the balance sheet caption “cash” as cash equivalents.

**NOTE C – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

In accordance with the Louisiana Local Government Budget Act, the procedures used by the District in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. The District then legally adopts the budget. Budgeted amounts for the Proprietary Fund included in the accompanying statements are as originally adopted by the District for the year ended December 31, 2013.

**NOTE D – CASH AND CASH EQUIVALENTS**

As of December 31, 2012, all non-interest-bearing transaction accounts were fully insured, regardless of the account balance and the ownership capacity of the funds. The unlimited coverage was separate from, and in addition to, the insurance coverage provided for a depositor’s other accounts held at an FDIC-insured bank. The District utilized accounts at financial institution that qualify as both interest-bearing and non-interest-bearing transaction accounts. As of December 31, 2012, the District had no uninsured deposits.

The unlimited coverage for non-interest-bearing transaction accounts provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act expired on December 31, 2012. Beginning January 1, 2013, deposits held in non-interest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

\$250,000. As of December 31, 2013, the District had no uninsured deposits. The District has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

**NOTE E – LITIGATION AND CLAIMS**

At December 31, 2013, the District was neither involved in nor aware of any litigation or claims.

**NOTE F – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 26, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**OTHER INDEPENDENT ACCOUNTANTS' REPORT**



Certified Public Accountants & Consultants

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES FOR COMPLIANCE  
WITH LAWS AND REGULATIONS**

To the Board of Commissioners of  
Seabrook Neighborhood Improvement and Security District  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Seabrook Neighborhood Improvement and Security District (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2013, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Public Bid Law***

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

The District did not purchase any items exceeding \$30,000.

***Code of Ethics for Public Officials and Public Employees***

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the District and his employees, as well as their immediate families.

The District provided us with the required list including the noted information.

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3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable, the District does not have any employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable, the District does not have any employees.

### ***Budgeting***

5. Obtain a copy of the legally adopted budget and all amendments.

The District provided us with a copy of the original budget and the amended final budget.

6. Trace the budget adoption and amendments to the minute book.

The District's adoption of the 2013 budget was properly noted in the board minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues did not fail to meet budgeted revenues by 5% and actual expenditures did not exceed the budgeted amounts by more than 5%.

### ***Accounting and Reporting***

8. Randomly select 6 disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee;

All selected payments were traced to supporting documentation containing the proper amount and payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

All selected payments were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities.

All selected payments were properly approved in accordance with the District's policies.

### ***Meetings***

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:12 (the open meetings law).

All minutes were properly advertised in accordance with the open meetings law.

### ***Debt***

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

No deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

### ***Advances and Bonuses***

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

Not applicable, the District does not have any employees.

### ***Prior Comments and Recommendations***

Our prior year report, dated June 23, 2014, should have been filed within six months of the close of the fiscal year ended December 31, 2012. The District has resolved this matter by filing the report for the fiscal year ended December 31, 2013 within six months of the end of the fiscal year.

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Seabrook Neighborhood Improvement and Security District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Gurtner Zuniga Abney, LLC*

New Orleans, Louisiana

June 26, 2014

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

None noted.

**SEABROOK NEIGHBORHOOD IMPROVEMENT AND SECURITY DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

**2012-01 – Timely submission of report**

**Criteria:** The December 31, 2012 compiled financial statements should have been filed within six months of the close of the fiscal year.

**Condition:** The fieldwork did not commence in time to complete the required engagement within the time frame prescribed by the Louisiana Audit Law.

**Effect:** The effect of this condition is non-compliance with the Louisiana Audit Law governing engagement completion.

**Recommendation:** The required financial statements should be remitted within six months of the fiscal year-end, in compliance with the Louisiana Audit Law governing engagement completion.

**Current Status:** Resolved.



**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

3/13/14 (Date Transmitted)

Gurtner Zuniga Abney, LLC

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [ X ] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [ X ] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [ X ] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [ X ] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ X ] No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ X ] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [ X ] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

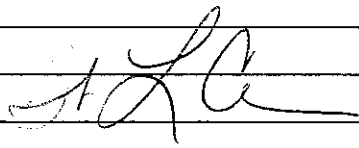
### **Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
	President	3/13/2014	Date